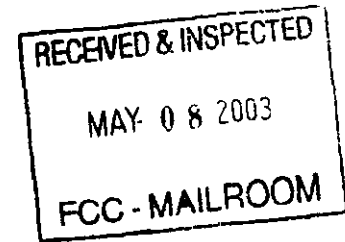


MARY L. LANDRIEU
LOUISIANA

FCC 02-77
EX PARTE OR LATE FILED
United States Senate
WASHINGTON, DC 20510-1804

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May 2, 2003

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The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Dear Chairman Powell:

The Federal Communications Commissions (FCC) has before it a Notice of Proposed Rulemaking concerning the regulatory implications of its determination last spring that cable modem service should be classified as interstate information service, outside the reach of Title VI of the Communications Act. Included in this decision was the determination that revenue from cable modem service should not be used in computing the franchise fees paid to local governments. Parishes in Louisiana have contacted me about their primary concern with this decision, namely its impact on local government revenues derived from franchise fees.

After the Commission's ruling on these two issues, certain cable companies have informed parishes that they are no longer going to pay that portion of revenue derived from delivery of cable modem service. Should the FCC determine it appropriate to exercise its jurisdiction under section 622 to resolve the issue of previously collected franchise fees based on cable modem service revenues, I urge the FCC to further clarify that its decision is prospective and effects only contracts signed after the issuance of its ruling. Otherwise, local governments will be exposed to future claims and significant risk.

With warmest regards, I am

Sincerely,

Mary L. Landrieu
United States Senator

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